

**DEPARTMENT  
POLICY****Family Independence Program (FIP), Medicaid (MA) and Food Assistance Program (FAP)**

The Department of Human Services (DHS) is subject to audits and reviews of its performance. Some of these are internal and some are by external agencies. This item identifies some of these review processes and defines the responsibilities of clients, local offices, central office and the corresponding federal agencies in these processes.

**TYPES OF AUDITS**

Although many areas of the department are audited, this item addresses audits/reviews regarding financial and medical eligibility and work participation. The following audits (referred to as reviews) are used to monitor DHS performance in these areas:

- Office of Quality Assurance (OQA) Food Assistance Program and Medicaid reviews.
- Office of Quality Assurance (OQA) Family Independence Program (FIP)/Temporary Assistance to Needy Families (TANF) work participation reviews.
- State Management Evaluation Reviews (SME).
- Food Assistance Management Evaluations (FAME).

These audits are described in detail in this item. Included are the scope and purpose of each audit, frequency of review, the review process, and how the findings are used.

**OFFICE OF QUALITY  
ASSURANCE  
REVIEWS****FIP, MA and FAP****MA and FAP  
Quality Control  
Reviews****MA and FAP**

Per federal regulations, every state is responsible for conducting MA and FAP Quality Control (QC) reviews.

**Scope and Purpose**

The purpose of the review is to determine for active cases if the eligibility decision and/or benefit amount for the sample month was correct, or for negative case reviews, if the denial or closure (FAP and MA) or temporary suspension of benefits (FAP only), was correct. QC review findings of active cases determine the incidence and dollar amounts of errors. The objectives of QC reviews are to provide:

- A systematic method of measuring the validity of the eligibility determinations made by the FIS/ES.
- A basis for determining error and misissuance rates.
- A process to improve accuracy by developing prevention strategies and corrective action plans at all levels of the agency.
- The basis for establishing state agency liability and sanctions for misissuance rates that exceed the national standard and state agency eligibility for enhanced funding (FAP only).

**Frequency of Reviews and Selection of Cases for Review**

Each month a statewide random sample of households is selected from two different categories: active cases and negative cases (households that were denied benefits or whose benefits were terminated (FAP and MA) or temporarily suspended (FAP only).

### **Request for Case Records**

When a case is selected for review, the Office of Quality Assurance reviewer will contact the local office designee to:

- Obtain active and obsolete files (paper and electronic).
- If necessary, assist the reviewer in locating the recipient or enlisting the cooperation of recipients who are not responding to the reviewer's letters or required in-person interviews.

**Note:** For FAP active cases, reviews that must be dropped because of recipient "non-cooperation/unable to locate" contribute a substantial increase in the Food Assistance misissuance/error rate.

Federal Food Assistance Program reviewers assume that these dropped cases are error cases more than the same number of reviewed cases. Thus, cases that are completed even with an error have less of an impact on the misissuance rate than a dropped audit. Therefore, local office help to avoid dropping an audit is crucial to the state's overall misissuance rate.

### **DHS-1599, Review Results Findings Summary, Overview**

Upon completing the review, the Office of Quality Assurance will electronically provide a DHS-1599, Review Results Findings, summary to the local office with copies to business service center and central office staff. The findings/summary includes:

- Detailed case information indicating that the case is correct or in error.
- Information for local office follow-up when the information is not pertinent to the sample month.
- Report of a dropped review.
- In cases of recipient non-cooperation, a request for case closure and the period of ineligibility; see BAM 105.

The OQA reviewer may write an "Addendum" that is a subsequent review results finding informing the local office that the results of the review have changed. Changes are reported as a result of new collateral information received by the reviewer, or for FAP, a federal second party review by the US Department of Agriculture, Food and Nutrition Service.

### **Review Results Findings/Summary – Preliminary Error Cases Error Review Committee (ERC)**

All preliminary error findings are re-reviewed by the Office of Quality Assurance (OQA) and the Error Review Committee (ERC). The ERC teleconference meeting is facilitated by OQA and includes representatives from the local office, Field Operations Administration (FOA), Wayne County Operations, Family Program Policy, Office of Workforce Development and Training (OWDT), Department of Community Health (for MA reviews), and OQA.

The goals of the ERC are:

- Determine if there is information or factors that have not been taken into consideration that could possibly change the finding.
- Identify issues that suggest a need to revise or clarify policy.
- Identify training needs or other corrective action.
- Identify the need for systems modifications.
- Develop a better understanding of Bridges.
- Identify error prevention strategies.

A vital part of the ERC review involves the participation of local office management and staff where the QC error was found. The local office has the client's case file, information, and considerable knowledge regarding the reasons for the specialist's actions. Participation in the ERC teleconference meeting also affords the local office the opportunity to contribute directly to recommending changes in policy, procedures, systems and training development. To develop a better understanding of Bridges, it is recommended that local offices have access to Bridges during the ERC meeting discussion.

When a local office receives from OQA electronic notification of Preliminary Case Review Findings that a case is in error, it is mandatory for a Program Manager or First Line Manager in the local office, to participate in the Error Review Committee process. It is the local office's decision to include the FIS/ES case manager or specialist. At least one week in advance of ERC, OQA will contact the County Director and District Manager via email to schedule the meeting and provide the teleconference telephone number and access code for the meeting.

### **Bias of Review Results**

To comply with the federal requirement to avoid bias in the review, no one other than OQA staff is to contact the client or any collateral to discuss case circumstances that led to the error citation. Questionable areas of the review will be discussed at the Error Review Committee teleconference meeting. The Office of Quality Assurance must do any follow-up and resolve any questions, conflicting information or problems. For this reason local office staff is not to act to correct the error until after the results are discussed. Regular work on the case, such as acting on other reported changes or redeterminations, may continue.

### **Local Office Response To QC Review Error Process**

Once the FINAL QC DHS-1599, Review Results Summary, for an error case is received, the local office has 10 work days to submit the DHS-191, Response to Office of Quality Assurance Quality Control Review Error, and any supporting documentation.

- DHS-191 is to be reviewed and signed by the County Director/District Manager.
- Send the DHS-191 electronically to DHSAPSpecialists@michigan.gov. For Urban offices, a copy should also go to the local AP Specialists, as appropriate.
- If a recoupment action is required, a copy of the DHS-4701, Overissuance Referral, must be included with the DHS-191.

### **Error Prevention Strategies**

During the Error Review Committee teleconference meeting, ideas for preventing errors are discussed. Examples of these strategies include changes to local office processes, review or development of new training modules or desk aids, Bridges modifications, and changes to MA and FAP policies. Analysis of errors and error prevention strategies is available on the DHS-Net OQA website.

**FIP/TANF Work  
Participation  
Reviews****FIP****Purpose and Scope**

The purpose of the FIP/TANF review is:

- To determine whether the TANF/FIP group includes a work-eligible individual (WEI), and if so, whether the WEI met the work participation requirements in the sample month. These reviews are federally-mandated to establish Michigan's work participation rate. Federal sanctions are applied if the work participation rate is below the federal target.
- To provide to the federal government demographic information for the FIP/TANF cases reviewed.

**Frequency of Reviews and Selection of Cases for Review**

Each month a statewide random sample of households is selected from two categories: federally-funded active FIP/TANF cases and federally-funded closed FIP/TANF cases.

**Requests for DHS Case Records & MWA Files**

When a case is selected for review, the Office of Quality Assurance contacts the local office designee to request the case record. DHS offices have five business days to complete the DHS-572, OQA TANF Case Review Checklist, and provide the checklist and the DHS client case record to OQA. The Workforce Development Agency (WDA) has eight business days to obtain the Michigan Works! Agency (MWA) file and provide it to OQA.

**TANF/FIP Case Review**

Upon receipt of the records and files, OQA completes the work participation desk review. When OQA has completed its review, the Central Office FIP/TANF Family Program Policy Unit completes a review of the FIP/TANF group's eligibility based on information provided in Bridges. WDA also reviews the work eligible individual's current work participation activities within the One Stop Management Information System (OSMIS).

**TANF Work Participation Review Committee (WPRC)**

The TANF Work Participation Review Committee (WPRC) is facilitated by OQA and is a partnership between OQA, TANF/FIP Family Program Policy, Field Operations Administration (FOA), WDA, DHS local office representative/PATH Coordinator, and MWAs. To assure accuracy and completeness, case review results and action items for all sampled cases are discussed during weekly TANF Work Participation Review Committee meetings/teleconference calls.

The goals of the WPRC are:

- Assure that federal work participation determinations were accurately made.
- Identify and obtain additional documentation that might not have been provided or available at the time of the review.
- Identify specific reasons that each case did not meet participation requirements.
- Identify and work in partnership to eliminate barriers to meeting work participation requirements.
- Assure that cases that were in the sample are currently being handled correctly, therefore preventing future errors.

**DHS-932, Review Results**

The DHS-932, OQA, FIP/TANF Program Policy, and WDA Case Review Results, are emailed to DHS offices and MWAs, along with information regarding any follow-up action the local DHS office, MWA and OQA is required to complete.

**DHS-584, Response to Review Results**

Within twelve work days of receipt of the review results, the local DHS office is required to complete the DHS-584, Response to TANF Work Participation Case Review Results, documenting the completion of action items.

- DHS-584 is to be signed by the county director/district manager.
- Send the DHS-584 and any requested documents to FOA via the [DHS-APSpecialists@michigan.gov](mailto:DHS-APSpecialists@michigan.gov).

**STATE  
MANAGEMENT  
EVALUATION  
REVIEW (ME)****FAP Only**

The Food and Nutrition Service (FNS) periodically reviews each state's administration and operation of the Food Assistance Program to determine compliance with federal regulations program requirements.

**Scope and Purpose**

FNS designates which areas are to be reviewed each year. Typically these reviews include but are not limited to the following areas:

- Application processing.
- Civil rights complaints.
- Benefit issuance.
- Benefit recoupment and collection.
- Reconciliation and reporting.
- State plans for management evaluation (ME) and Quality Control (QC).
- Client complaints.
- Payment accuracy.
- Negative errors.

**Frequency of Reviews**

The ME is conducted annually.

**Central and Local Office Responsibilities**

The majority of this audit is conducted in central office using state-wide data. However, one or more local offices may be reviewed. The audit begins with an entrance conference which introduces the auditing staff to the state and explains the areas that will be reviewed during the audit.

The actual review typically takes three working days, with one day spent in local offices. Prior to the review, central office selects a local office for review and requests that specific cases be pulled for review. Local offices are usually given time to prepare for the review. Federal auditors are usually assigned to a designated staff



person at each local office to provide information relative to the review.

Once the review is completed at the local office, an exit conference is held in central office.

The results of the review are presented to the department in a written report. The department then has **60 days** to respond regarding corrective actions. Local offices are responsible for correcting any errors cited in individual cases.

## FOOD ASSISTANCE MANAGEMENT EVALUATION (FAME)

### FAP Only

FAME reviews are mandated by FNS and are designed to determine whether local offices are complying with federal regulations and Michigan food assistance policy. FAME reviews do not establish the misissuance rate. Reviews are conducted by consultants from Field Operations Risk Management Unit. The areas reviewed include but are not limited to:

- Certification procedures.
- Issuance services.
- Security/control.
- Reconciliation.
- Record keeping and reporting.

**Note:** FAME review targets can change each fiscal year according to FNS requirements.

### Scope and Purpose

The objectives of FAME reviews are to provide:

- A systematic method of monitoring and assessing program operations;
- A basis for local offices to improve and strengthen program operations by identifying and correcting deficiencies; and
- A working relationship between the local office, central office and FNS to develop solutions to identified problems in policy and/or procedures.

### Frequency of Reviews

FAME reviews are conducted annually in large local offices which have over 15,000 cases. Counties aligned under a single director are referred to as management units. Management units of 2,001 to 15,000 cases are reviewed every two years and those with 2,000 cases or less are reviewed once every three years.

FNS may require the State agency to conduct additional on-site reviews when a serious problem is detected in a project area which could result in a substantial dollar or service loss.

### FAME Consultants Responsibilities

The FAME consultant contacts the local office to inform them of the date the review is to begin. The consultant:

- Reads cases which have been selected according to random procedures.
- Interviews staff responsible for food assistance activities,
- Reviews records, reports and local procedures.

The review is documented on a worksheet and identifies:

- A description of the deficiency detected.
- The cause(s) of any deficiency detected, if known; and
- The number and identification (case name and number) of casefiles selected and examined.

The consultant forwards the review findings to the county director/district office manager and the director of the Business Service Center (BSC) that the local office is assigned to, listing all deficiencies found during the FAME review. The written report contains a general summary of findings, specific case findings and a request for a corrective action response.

Review worksheets are retained by FAME and Field Operations for three years and are made available to FNS upon request.

### Local Office Responsibilities

Local offices must take appropriate corrective action on errors found in the case record within **15 days** of receiving the FAME review report. They must then submit a Corrective Action Plan (CAP) to the FAME within **60 days** of the FAME report.

The local office CAP must address:

- Each of the program area deficiencies in the FAME report.
- Include the corrective action they will use to correct the deficiency.
- A timetable for meeting the corrective action.

The corrective action may include recommendations for BSC or central office actions which the local office believes would aid in their efforts to correct the deficiency.

Local offices are responsible for developing and completing all necessary follow-up measures to ensure the effectiveness of their corrective actions. Monitoring to fulfill this requirement may take various forms, such as, increased supervisory case readings, special reviews or spot checks, implementing new local office procedures, etc.